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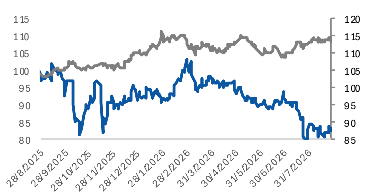
Recommendation:		BUY
Current Price:		RM 0.77
Previous Target Price:		RM 0.96
Target Price:	↑	RM 0.97
Capital Upside/Downside:		26.0%
Dividend Yield (%):		1.3%
Total Upside/Downside:		**27.3%**

Stock information	
Board	MAIN
Sector	Property
Bursa / Bloomberg Code	3417 / EASTMK
Syariah Compliant	No
ESG Rating	★★★
Shares issued (m)	2,493.6
Market Cap (RM' m)	1,920.1
52-Week Price Range (RM)	0.605
Beta (x)	0.9
Free float (%)	21.0
3M Average Volume (m)	1181975.0
3M Average Value (RM' m)	885455.2

Top 3 Shareholders	(%)
Amazing Parade Sdn Bhd	29.3
Kerjaya Prospek Dev Sdn Bhd	18.2
Paramount Spring Sdn Bhd	9.3

Share Price Performance



	1M	3M	12M
Absolute (%)	3.4	-2.5	-8.3
Relative (%)	3.3	-4.9	-16.3

Earnings Summary	FY27F	FY28F	FY29F
Revenue (RM'm)	1,313.6	2,172.9	1,975.8
PATAMI (RM'm)	338.1	637.7	578.7
Adjusted CNP (RM'm)	338.1	637.7	578.7
EPS - core (sen)	13.4	25.3	23.0
P/E (x)	5.7	3.0	3.4

Eastern & Oriental Bhd

Steady Sales Momentum

- **The Group's outlook remains positive, supported by its strong unbilled sales of RM1.72bn, which is expected to provide revenue visibility through FY29 as construction advances.**
- **The Group's diversification beyond residential development is gaining shape: the Andaman Island hospital JV and the new KLCC/Pavilion KL luxury serviced-apartment redevelopment both extend the earnings base without displacing the core Property engine.**
- **We raised our FY27F/FY28F/FY29F core net profit forecasts by +24.1%/+24.8%/+12.7%, to RM338.1m/RM393.5m/RM578.7m.**
- **Maintain BUY with an increased TP of RM0.97 (from RM0.96), based on a 55% discount to our RNAV.**

Segmental Performance. The Property segment recorded both higher revenue and operating profit in 1QFY27, continuing to anchor Group earnings. The increase in revenue was mainly attributable to stronger revenue recognition and sales performance from existing developments, consistent with the Group's steady construction progress across its ongoing project pipeline. The Hospitality segment saw revenue decline modestly in the quarter, with occupancy levels at E&O Residences weighing on the topline. The Investments & Others segment recorded a RM1.8m decline in operating profit, driven mainly by a decrease in management fees charged. This is broadly consistent with the pattern seen through FY26 and 1QFY27, where fee income from this segment has been tapering as projects progress further along their completion curves and management-fee-generating activity normalises.

Sales and Unbilled Sales. E&O registered new sales of RM356m for 1QFY27, with Penang-based projects contributing the bulk of sales at 72%, and the remaining 28% from Klang Valley developments. This continues to underscore Penang as the Group's primary sales engine. Combined with steady billing progress on ongoing projects, unbilled sales rose to RM1.72bn as at 1QFY27 – providing revenue visibility through FY29 as construction advances, and broadly in line with the trajectory flagged in the Group's prior quarter commentary.

New Launch – AVÉA Phase 2. During the quarter, the Group launched AVÉA Phase 2, which has received a positive reception from the market since its debut. The launch adds to the Group's sales pipeline and should support further unbilled sales growth in coming quarters, building on the momentum already seen from the original AVÉA launch.

Andaman Island Hospital JV. E&O also established a joint venture during 1QFY27 to develop and operate a private hospital on Andaman Island. We view this as a sensible diversification move – extending the Group's earnings base beyond residential development and reinforcing the broader live-work-play ecosystem the Group is building out on the island, in support of its longer-term masterplan for the estimated 25,000 future residents.

Outlook. Looking ahead, the Group's near-term development pipeline includes Senna & Fera Phase 5 and Plot 16A-1, which should provide further impetus to sales momentum and help sustain unbilled sales growth over the medium term. Together with the ongoing Andaman Island masterplan and the ramp-up of the new hospital JV, we view the pipeline as supportive of continued earnings visibility well beyond FY29. On balance, this update reinforces the picture from the 1QFY27 results: Property remains the clear growth engine, Hospitality softness looks seasonal/occupancy-driven rather than structural, and the modest fee-income decline in Investments & Others is a natural consequence of projects maturing rather than a concern in its own right. The RM356m new sales figure and RM1.72bn unbilled sales base give reasonable confidence in near-to-medium-term earnings visibility, while the Andaman Island hospital JV and the Senna & Fera Phase 5/Plot 16A-1 pipeline extend that visibility further out.

Earnings Revision. We take this opportunity to **revise our core net profit forecasts upward**, premised on the Group's healthy unbilled sales base of approximately RM1.72bn and robust new sales of RM356m recorded in 1QFY27 alone, both of which underpin stronger medium-term earnings visibility as percentage-of-completion recognition catches up with the Group's expanded launch pipeline. Consequently, we raise **our FY27F/FY28F/FY29F core net profit forecasts by +24.1%/+24.8%/+12.7% to RM338.1m/RM393.5m/RM578.7m** respectively. We also factor in the positive market reception to AVÉA Phase 2 since its 1QFY27 launch, alongside the upcoming Senna & Fera Phase 5 and Plot 16A-1 launches, which should sustain sales momentum and extend the Group's earnings visibility beyond FY29.

Valuation. We maintain our **BUY** call with an increased TP of **RM0.97** (from **RM0.96**), based on a revised RNAV model, supported by a three-star rating ESG rating.

Risk. Affordability concerns amid premium positioning, SST exposure on construction services, and Syariah-compliant status risk.

Financial Highlights

Income Statement

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Revenue	**741.1**	**867.6**	**1,313.6**	**2,172.9**	**1,975.8**
Gross Profit	**306.5**	**397.3**	**591.1**	**1,029.5**	**936.1**
EBITDA	**224.7**	**312.8**	**470.5**	**800.7**	**728.3**
Depreciation & Amortisation	-23.2	-22.4	-22.0	-21.9	-21.6
EBIT	**201.6**	**290.4**	**448.4**	**778.8**	**706.8**
Net Finance Income/ (Cost)	-23.7	-35.3	-28.2	-23.5	-19.2
Associates & JV	38.7	38.0	12.6	9.1	6.1
Pre-tax Profit	**216.6**	**293.1**	**432.8**	**764.4**	**693.7**
Tax	-34.9	-49.2	-69.3	-107.0	-97.1
Profit After Tax	**181.7**	**243.9**	**363.6**	**657.4**	**596.6**
Minority Interest	13.1	22.7	25.5	19.7	17.9
Net Profit	**168.6**	**221.2**	**338.1**	**637.7**	**578.7**
Exceptionals	-26.2	51.7	0.0	0.0	0.0
Core Net Profit	**194.9**	**272.9**	**338.1**	**637.7**	**578.7**
CNP (Excluding sales of land)	**194.9**	**272.9**	**338.1**	**393.5**	**578.7**

Key Ratios

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
EPS (sen)	7.7	10.8	13.4	25.3	23.0
P/E (x)	10.0	7.1	5.7	3.0	3.4
P/B (x)	0.8	0.8	0.6	0.5	0.5
EV/EBITDA (x)	2.3	1.0	1.6	1.8	2.3
DPS (sen)	1.0	1.0	2.4	2.0	2.0
Dividend Yield (%)	1.3%	1.3%	3.1%	2.6%	2.6%
EBITDA margin (%)	30.3%	36.1%	35.8%	36.8%	36.9%
EBIT margin (%)	27.2%	33.5%	34.1%	35.8%	35.8%
PBT margin (%)	29.2%	33.8%	32.9%	35.2%	35.1%
PAT margin (%)	24.5%	28.1%	27.7%	30.3%	30.2%
NP margin (%)	22.8%	25.5%	25.7%	29.3%	29.3%
CNP margin (%)*	26.3%	31.5%	25.7%	29.3%	29.3%
ROE (%)	8.3%	10.6%	11.3%	17.7%	14.0%
ROA (%)	4.3%	4.8%	6.2%	10.4%	9.5%
Gearing (%)	73.3%	84.2%	66.1%	48.9%	37.7%
Net gearing (%)	61.4%	64.7%	42.6%	17.1%	9.7%

* Inclusive sales of land

Valuations	FY28F	Valuation methodology
Total RNAV (RM' m)	5,472.9	(ke: 12%)
Discount Rate	55.0%	
Discounted RNAV (RM' m)	2,462.8	
Enlarged Sharebase	2,539.5	
Fair Value (RM)	**0.97**	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Cash	278.5	502.4	701.5	1,145.9	1,159.9
Receivables	104.1	71.2	73.5	188.5	49.7
Inventories	572.6	639.7	718.0	718.5	309.3
Other current assets	184.5	340.1	-1.4	4.7	20.7
Total Current Assets	**1,139.7**	**1,553.5**	**1,491.6**	**2,057.6**	**1,539.6**
Fixed Assets	227.0	765.1	217.2	213.4	209.8
Intangibles	0.1	0.0	0.1	0.1	0.1
Other non-current assets	3,208.3	3,314.6	3,706.4	3,831.9	4,321.6
Total Non-Current Assets	**3,435.4**	**4,079.7**	**3,923.8**	**4,045.4**	**4,531.6**
Short-term debt	244.5	343.5	282.2	251.2	223.0
Payables	375.3	670.6	296.6	596.4	215.6
Other current liabilities	47.9	136.7	49.1	47.0	47.1
Total Current Liabilities	**667.7**	**1,150.8**	**628.0**	**894.5**	**485.7**
Long-term debt	1,468.2	1,823.0	1,694.4	1,508.1	1,338.8
Other non-current liabilities	102.8	87.5	102.6	103.0	103.2
Total Non-Current Liabilities	**1,570.9**	**1,910.5**	**1,797.0**	**1,611.1**	**1,442.0**
Shareholder's equity	2,316.3	2,530.9	2,918.4	3,505.7	4,033.9
Minority interest	20.3	40.9	72.0	91.7	109.6
Total Equity	**2,336.5**	**2,571.8**	**2,990.4**	**3,597.4**	**4,143.6**

Cash Flow

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Pre-tax profit	**216.6**	**293.1**	**432.8**	**764.4**	**693.7**
Depreciation & amortisation	23.2	22.4	22.0	21.9	21.6
Changes in working capital	-443.4	-463.0	-195.8	-121.9	-332.3
Others	-131.6	-126.8	-81.9	-360.3	-103.2
Operating cash flow	**-335.2**	**-274.3**	**177.2**	**304.0**	**279.7**
Capex	-13.3	-7.9	-12.0	-10.0	-10.0
Others	16.9	37.4	1.1	425.5	0.0
Investing cash flow	**3.6**	**29.5**	**-10.9**	**415.5**	**-10.0**
Dividends paid	-24.9	0.0	-60.9	-50.4	-50.4
Others	161.4	485.9	58.2	-224.8	-205.3
Financing cash flow	**136.6**	**485.9**	**-2.6**	**-275.2**	**-255.6**
Net cash flow	**-195.1**	**241.1**	**163.7**	**444.3**	**14.1**
Forex	10.6	18.3	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	354.4	169.9	429.2	592.9	1037.3
Ending cash & cash equivalent	169.9	429.2	592.9	1037.3	1051.3
Bank overdraft and cash restricted	108.6	73.2	108.6	108.6	108.6
Total cash and bank	**278.5**	**502.4**	**701.5**	**1145.9**	**1159.9**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	GHG emissions rose 4.4% yoy to 16,879tCo2e in FY26
Waste & Effluent	★★★	100% recycling rate for steel in all current development projects
Energy	★★★	All completed developments in FY2026 achieved 90% of floor space area with LED or energy-efficient lighting systems
Water	★★	Use of water-efficient fittings that consist of WELS minimum of 3 ticks rated
Compliance	★★★	The Group recorded no fines or penalties relating to non-compliance

Social

Diversity	★★★	40% of the Group's employees are represented by women as at FY26
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★★	The Group and among contractors recorded no serious injuries and incidents or work-related fatalities
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

Governance

CSR Strategy	★★★	An estimated RM605k in community donations, sponsorships, and other support, reaching around 22.4k people
Management	★★	The Board has six (6) members, of whom three (3) are Executive Directors and one (1) is Senior Independent Non-Executive Director and two (2) are Independent Non-Executive Directors.
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Tuesday, 01 Sep, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.